

TO: Alex Aliksanyan

DATE: September 7, 1990

FROM: Marketing Information & Analysis/Andrew Schwartz *AS*

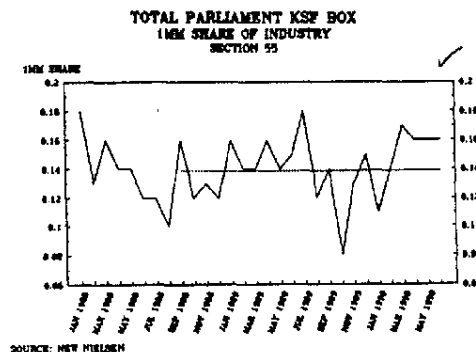
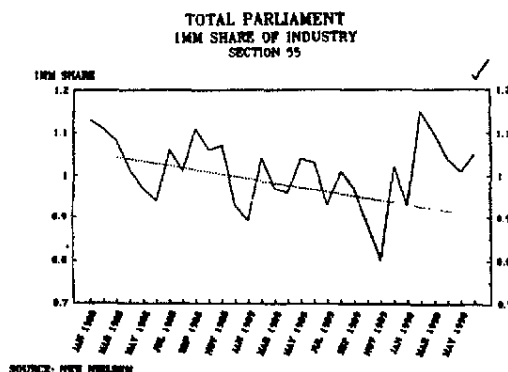
SUBJECT: Parliament Expansion

Parliament expanded marketing support to Los Angeles, San Francisco, San Diego and Hawaii during Q1 1990. It was felt the cosmopolitan nature and Box category growth in these markets afforded Parliament an opportunity to build upon the relative success achieved in its Northeast pocket of strength. All emphasis was placed on improving distribution and inventory levels for Parliament Box Kings with Parliament 100's substituted in Hawaii. Since Section 55 is essentially the Los Angeles trading area, we are able to look at new Nielsen data for this market. The impact on brand performance and distribution is summarized below.

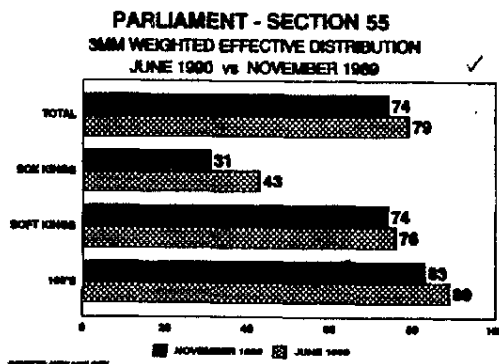
Summary

- In the Los Angeles expansion market (Section 55), Parliament responded well to broader marketing support. Despite distribution, promotional and advertising emphasis on Box Kings, year-to-date Nielsen share (1.0%) is +0.1 share point ahead of 2nd half 1989 on the strength of Parliament's more developed Soft Kings and 100's packings.

Year-to-date Box Kings shipments to Los Angeles (+28.1%), San Francisco (+16.0%) and San Diego (+81.6%) are ahead of last year. This appears largely a function of distribution and retail inventory gains.



- New Nielsen confirms Parliament Box Kings distribution (43%) advanced +12 points over pre-expansion levels with smaller gains noted on Soft Kings (+2 points) and 100's (+5 points).



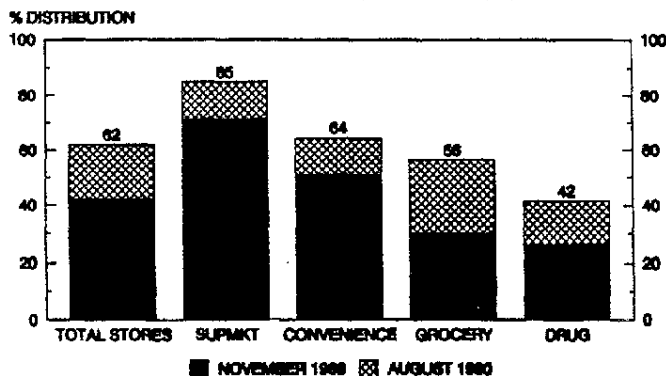
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- In Hawaii, where distribution efforts emphasized Parliament 100's, SPACE distribution (61%) expanded +22 points over November 1989 with grocery (+28 points) realizing the strongest gains by trade class.

Unlike other expansion areas, SPACE also reports stronger distribution for Soft Kings across all class of trade.

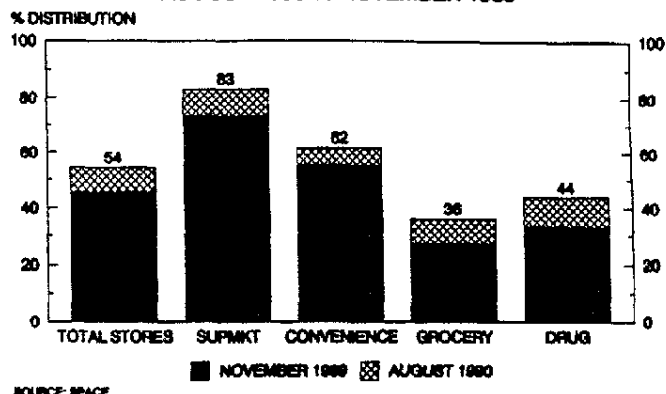
PARLIAMENT 100'S

HAWAII DISTRIBUTION
AUGUST 1990 vs NOVEMBER 1989



PARLIAMENT SOFT PACK KINGS

HAWAII DISTRIBUTION
AUGUST 1990 vs NOVEMBER 1989



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Distribution:

R. Anise
D. Beran
B. Baker
S. Bloom
V. Buccellato
E. Butson
J. Chaump
D. Dangoor
L. de Simone
M. Faulk
H. Glastein
L. Glennie
T. Goodale

L. Gross
J. Henry
J. Kuhlman
C. Levy
N. Lund
T. McCarthy
R. Medwar
E. Merlo
R. Mikulay
M. Moore
J. Morgan
D. Nelson
B. O'Brien

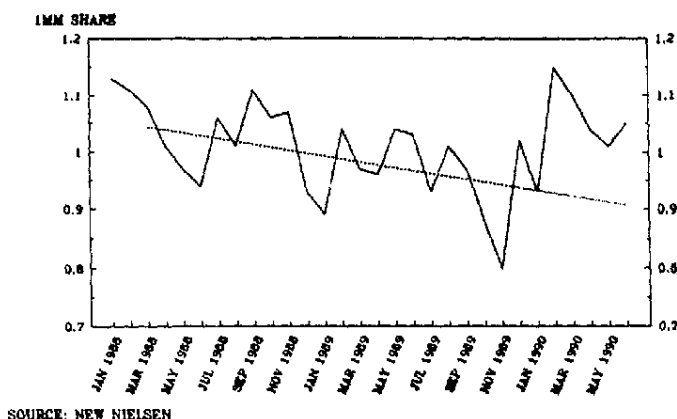
S. Sabella
T. Saloun
B. Schuyler
J. Scully
C. Shore
J. Spector
R. Stirten
L. Suwarna
R. Tomei
S. Vasquez
L. Wexler

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FINDINGS

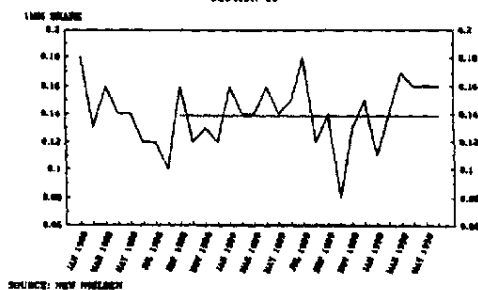
- In the Los Angeles expansion market (Section 55), Parliament responded well to broader marketing support with monthly Nielsen shares in 1990 all above trend for the brand.

TOTAL PARLIAMENT
1MM SHARE OF INDUSTRY
SECTION 55

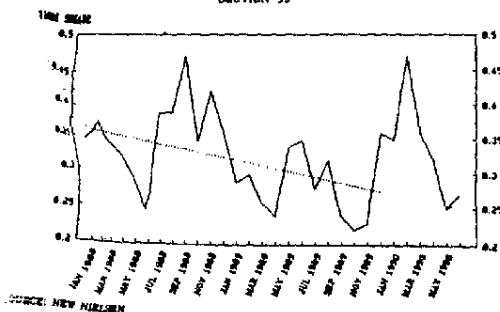


- New Nielsen share growth has primarily come from Parliament's more developed Soft Kings and 100's packings despite distribution, promotional and advertising emphasis on Box Kings. Parliament's year-to-date Nielsen share in Section 55 (1.04%) is above second half 1989 for Box Kings (+0.01 points), Soft Kings (+0.05 points) and 100's (+0.03 points).

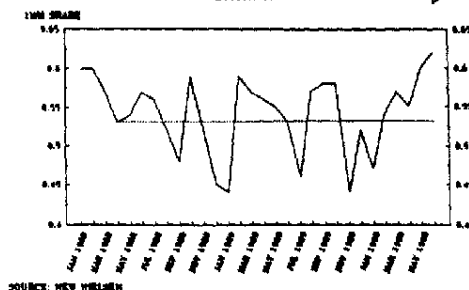
TOTAL PARLIAMENT KSF BOX
1MM SHARE OF INDUSTRY
SECTION 55



TOTAL PARLIAMENT KSF SOFT PACK
1MM SHARE OF INDUSTRY
SECTION 55



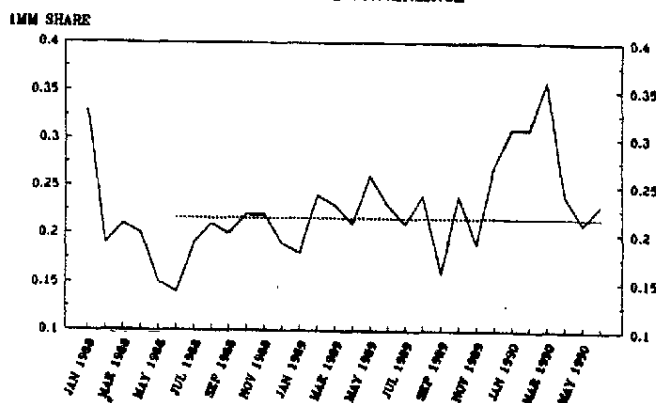
TOTAL PARLIAMENT LIGHTS 100
1MM SHARE OF INDUSTRY
SECTION 55



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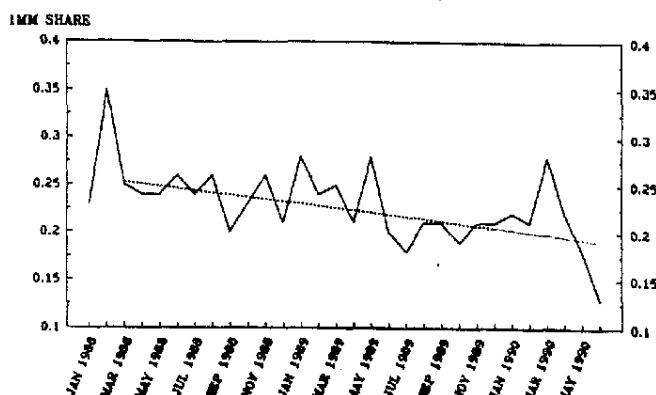
- By trade class, Soft Kings and 100's Nielsen share growth has been stronger in the pack oriented grocery and convenience outlets.

TOTAL PARLIAMENT KSF SOFT PACK
1MM SHARE OF INDUSTRY
REGION 5 - TOTAL CONVENIENCE



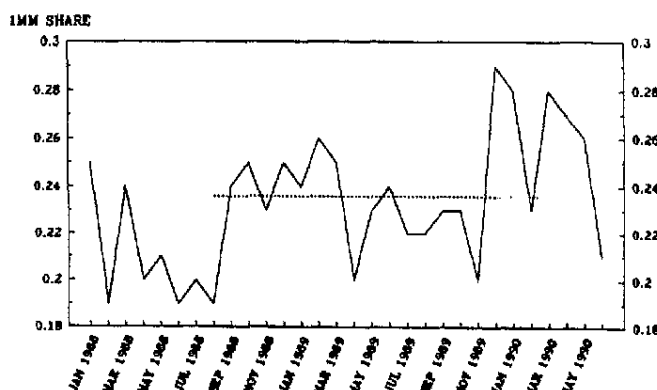
SOURCE: NEW NIELSEN

TOTAL PARLIAMENT KSF SOFT PACK
1MM SHARE OF INDUSTRY
REGION 5 - TOTAL GROCERY



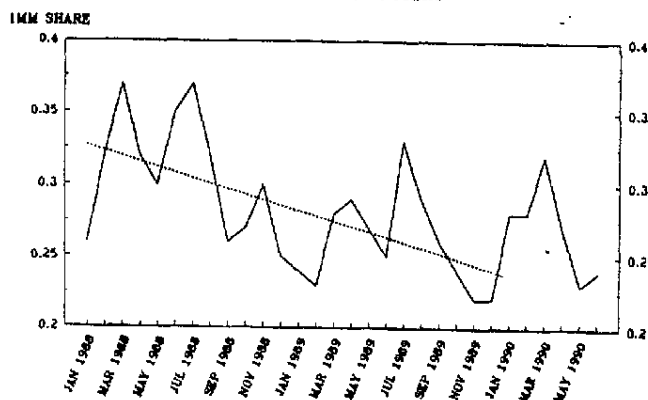
SOURCE: NEW NIELSEN

TOTAL PARLIAMENT LIGHTS 100
1MM SHARE OF INDUSTRY
REGION 5 - TOTAL CONVENIENCE



SOURCE: NEW NIELSEN

TOTAL PARLIAMENT LIGHTS 100
1MM SHARE OF INDUSTRY
REGION 5 - TOTAL GROCERY



SOURCE: NEW NIELSEN

- Year-to-date shipments of Parliament Box have increased sharply from year-ago in each expansion market, largely a function of distribution and retail inventory gains for the packing. Volume promoted with Parliament's multi-pack free video in May and B2GF headphone in July also emphasized the Box King packing. Bear in mind that Box Kings represents only a small portion of total brand share in these expansion markets.

Parliament Volume % Change
July YTD Shipments

	Los Angeles	San Diego	San Francisco	Hawaii
Parliament	7.6%	-1.8%	-6.6%	0.2%
Box King	28.1	81.6	16.0	17.6
Soft King	1.9	-24.3	-14.8	1.1
100's	6.2	-4.3	-8.5	-1.7

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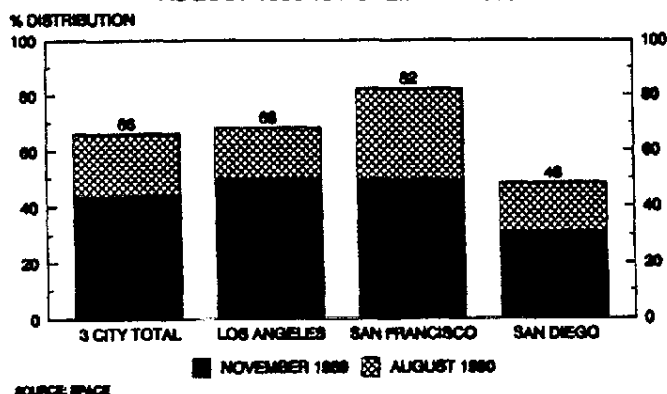
**Parliament Share By Packing
July 12MM Shipments**

	<u>Los Angeles</u>	<u>San Diego</u>	<u>San Francisco</u>	<u>Hawaii</u>
Parliament	0.8%	0.7%	0.6%	0.3%
Box King	0.1	0.1	0.1	0.0
Soft King	0.2	0.2	0.1	0.1
100's	0.5	0.3	0.4	0.2

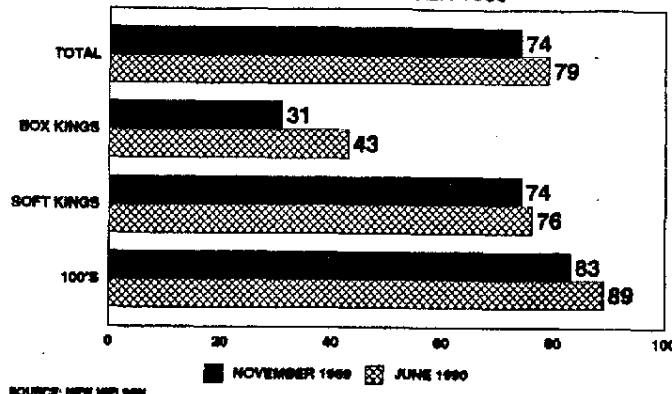
EXPANDED DISTRIBUTION

- San Francisco SPACE distribution for Parliament Box Kings (82%) expanded +33 points, twice the gain reported in San Diego and Los Angeles (+17/18 points). Nielsen data in Section 55 suggest more moderate gains were achieved (+12 points) to 43%.

**PARLIAMENT BOX KINGS
DISTRIBUTION
AUGUST 1990 vs NOVEMBER 1989**

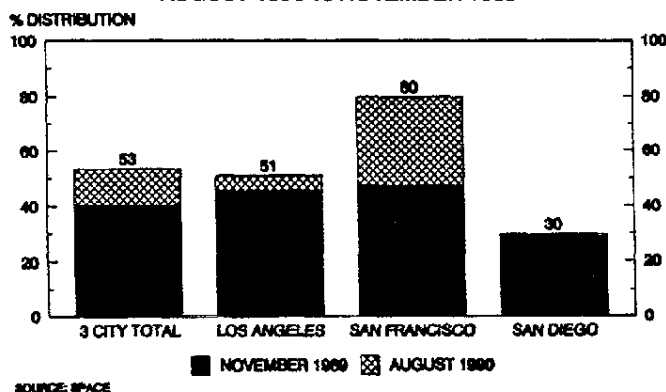


**PARLIAMENT - SECTION 55
3MM WEIGHTED EFFECTIVE DISTRIBUTION
JUNE 1990 vs NOVEMBER 1989**

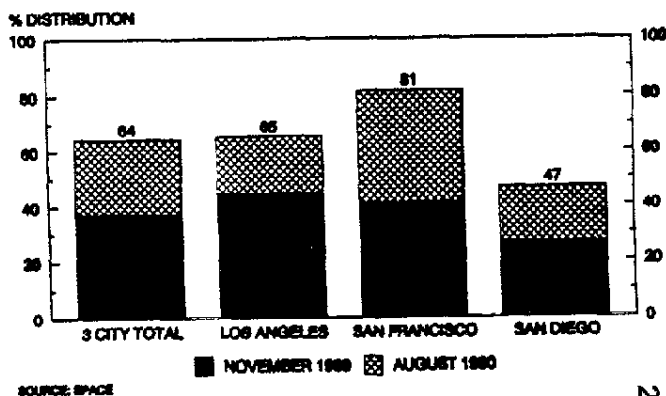


- By trade class, distribution gains on Box Kings in San Francisco outpaced advances in Los Angeles and San Diego, though all have benefited. Grocery (+26 points) and convenience stores (+27 points) realized the strongest SPACE distribution gains from this initiative.

**PARLIAMENT BOX KINGS
SUPERMARKET DISTRIBUTION
AUGUST 1990 vs NOVEMBER 1989**

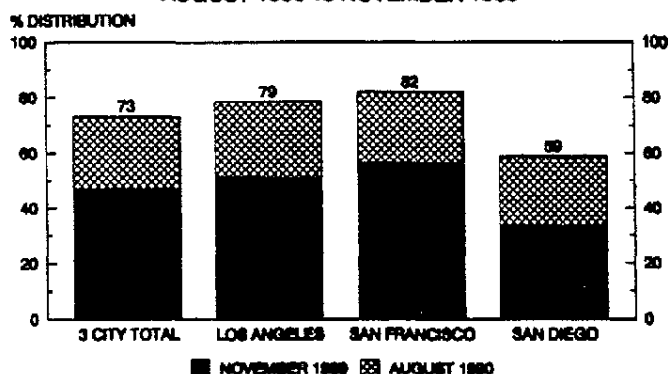


**PARLIAMENT BOX KINGS
CONVENIENCE DISTRIBUTION
AUGUST 1990 vs NOVEMBER 1989**

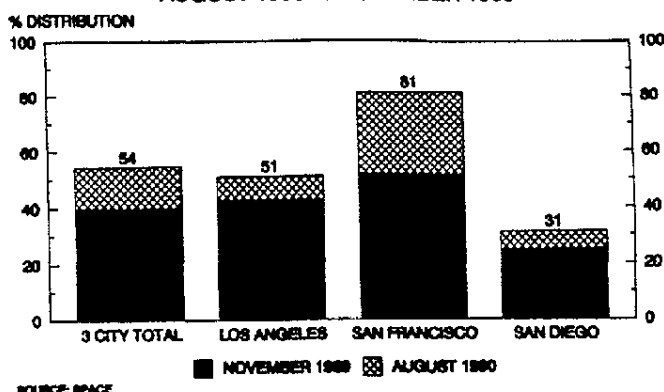


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PARLIAMENT BOX KINGS
GROCERY DISTRIBUTION
AUGUST 1990 vs NOVEMBER 1989



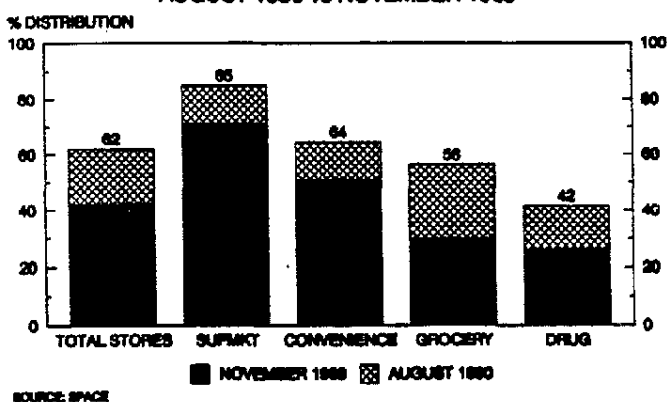
PARLIAMENT BOX KINGS
DRUG STORE DISTRIBUTION
AUGUST 1990 vs NOVEMBER 1989



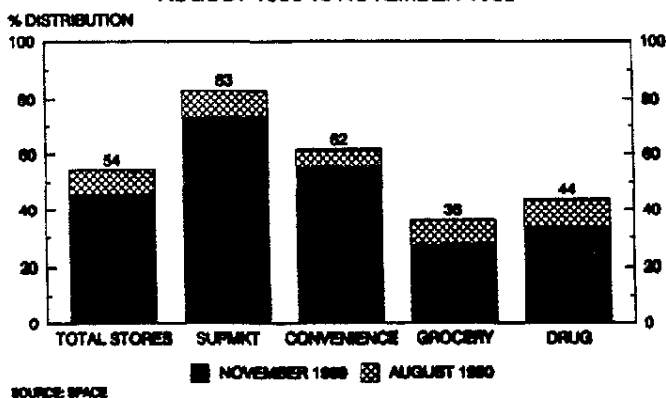
- In Hawaii where distribution efforts emphasized Parliament 100's, SPACE distribution (61%) expanded +22 points over November 1989 with grocery stores (+28 points) realizing the strongest gains.

Unlike other expansion areas, SPACE also reports stronger distribution for Soft Kings across all classes of trade.

PARLIAMENT 100'S
HAWAII DISTRIBUTION
AUGUST 1990 vs NOVEMBER 1989



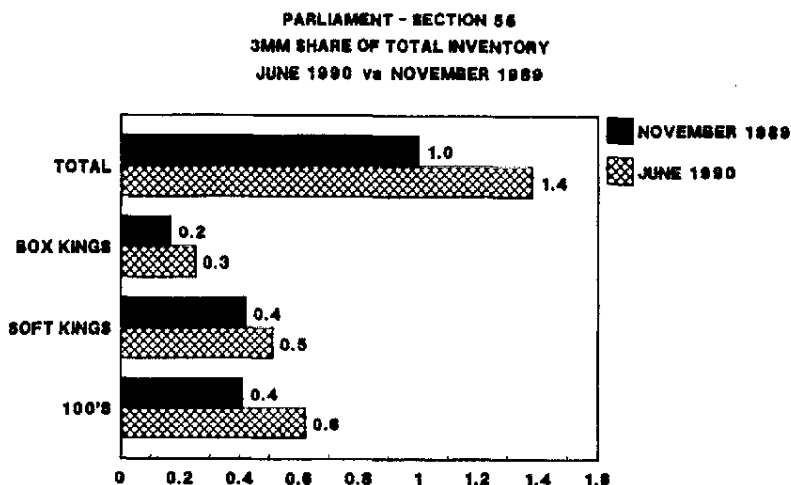
PARLIAMENT SOFT PACK KINGS
HAWAII DISTRIBUTION
AUGUST 1990 vs NOVEMBER 1989



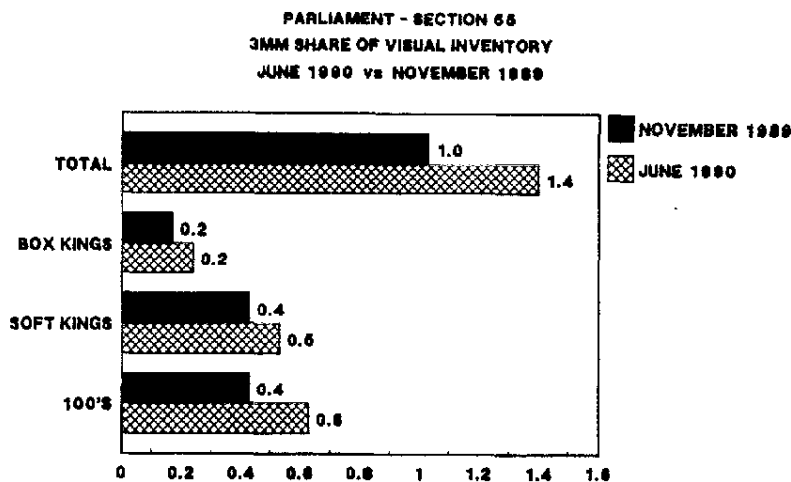
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INVENTORY GAINS

- Parliament's 3MM share of visual and total inventory in Section 55 improved +0.4 share points over pre-expansion levels. These gains, like market share, include Soft Kings and 100's despite expansion emphasis on Box Kings.



SOURCE: NEW NIELSEN



SOURCE: NEW NIELSEN

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